Labour Market Bulletin

Northwest Territories, Nunavut and Yukon

May 2018

This Labour Market Bulletin provides an analysis of Labour Force Survey results for all three of Canada's territories, including the Northwest Territories, Nunavut and Yukon.

OVERVIEW

Employment

The combined employment of Northwest Territories (NWT), Yukon and Nunavut increased 1.1% in May, meaning 600 more people were employed than in the previous month. All employment gains were in full-time positions, while part-time employment was down 2.6%. Employment in all three territories increased considerably on a monthly basis, with Yukon and Nunavut each posting gains of close to 300, while Northwest Territories recorded an increase of about 200.

On an annual basis, employment in the Territories fell 0.4% (-200). The number of people employed decreased in Northwest Territories (-0.9%) and Nunavut (-0.8%). Yukon was the only territory to see an increase in employment (+0.5%) due to significant growth in its goods-producing sector.

Unemployment

The unemployment rate for the combined Territories rose 0.6 percentage points to 7.4% in May. On a year-over-year basis, the unemployment rate decreased in Nunavut and Yukon, falling to 12.8% and 2.8% respectively. Meanwhile, Northwest Territories' unemployment rate increased 2.1 percentage points to 8.4% during the same period.

The youth (15 to 24 years) unemployment rate for the combined Territories was 17.3% in May, representing an increase of 2.2 percentage points from the previous month. Year-over-year, the unemployment rate for this age group is up 1.8 percentage points. The unemployment rate for young men reached 23.1% in May, 1.7 percentage points higher than a year earlier. Meanwhile, the unemployment rate for young women increased

1.6 percentage points to 11.1% over the year. Nunavut continues to have the highest youth unemployment rate in the country, with its unemployment rate for young men currently sitting at 24.2%.

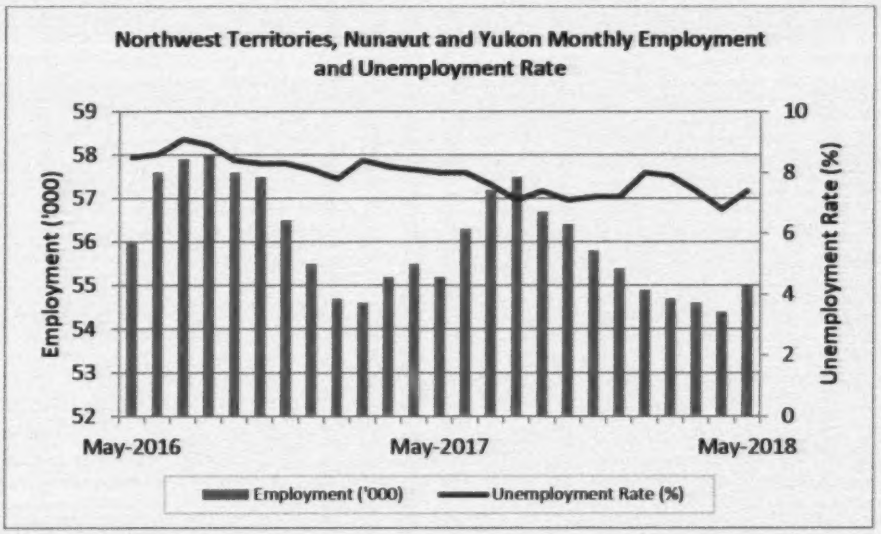
Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics

Seasonally Unadjusted Data	May 2018	April 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	86.5	86.3	85.2	0.2	0.2	1.3	1.5
Labour Force ('000)	59.4	58.4	60.0	1.0	1.7	-0.6	-1.0
Employment ('000)	55.0	54.4	55.2	0.6	1.1	-0.2	-0.4
Full-Time ('000)	47.6	46.7	47.3	0.9	1.9	0.3	0.6
Part-Time ('000)	7.5	7.7	7.9	-0.2	-2.6	-0.4	-5.1
Unemployment ('000)	4.4	4.0	4.8	0.4	10.0	-0.4	-8.3
Unemployment Rate (%)	7.4	6.8	8.0	0.6	-	-0.6	-
Participation Rate (%)	68.7	67.7	70.4	1.0	-	-1.7	-
Employment Rate (%)	63.6	63.0	64.8	0.6	-	-1.2	-

**Combined data - three month moving average*

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey



Northwest Territories, Nunavut and Yukon* Monthly Unemployment Rates, by Gender and Age

Seasonally Unadjusted Data	May 2018 (%)	April 2018 (%)	May 2017 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	7.4	6.8	8.0	0.6	-0.6
25 years and over	6.0	5.7	6.8	0.3	-0.8
Men - 25 years and over	7.4	7.2	8.6	0.2	-1.2
Women - 25 years and over	4.0	4.0	4.5	0.0	-0.5
15 to 24 years	17.3	15.1	15.5	2.2	1.8
Men - 15 to 24 years	23.1	18.9	21.4	4.2	1.7
Women - 15 to 24 years	11.1	11.1	9.5	0.0	1.6

**Combined data - three month moving average*

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey

EMPLOYMENT BY INDUSTRY

Employment in the goods-producing sector was up 300 in May, representing an increase of 4.4% from April. Indeed, mining construction, the Territories' two key industries, posted employment gains of 4% and 3.2% respectively. On an annual basis, the number of people employed in the goods-producing sector was unchanged over the year as employment losses (-700) in the construction industry were offset by gains in the mining (+400) and utilities (+300) industries.

Moving forward, major mining and construction projects scheduled to begin this year and next are expected to help boost employment in the Territories' goods-producing sector. Projects such as the Victoria Gold Eagle mine development in Yukon, the Nechalacho Rare Earth Elements exploration project in NWT and Nunavut's Meliadine gold mine development will provide plenty of job opportunities for local residents. According to the Conference Board of Canada, the Territories' gross domestic product (GDP) will rise by 1.9% in 2018 and 3.1% in 2019.[1]

Employment climbed higher in the services-producing sector in May – increasing 0.8% to 47,900 on a monthly basis. Employment growth in the services sector was driven by gains in several large industry groups including trade, health care and social assistance and professional, scientific and technical services.

Year-over-year, the number of people employed in the services-producing sector dropped slightly by 0.2% (-100). The largest declines were in transportation and warehousing (-700), accommodation and food services (-700) and educational services (-600).

Despite these losses, the outlook for the services-producing sector is positive over the short-term. With major infrastructure projects underway across the North, the transportation and warehousing, as well as the trade industry, are expected to see some growth over the next two years. Several upcoming projects include the $2 million improvement projects at the NWT's Fort Smith Airport[2], the $7.7 million new maintenance facility at Dawson's City airport in Yukon[3] and the $89 million new small craft harbour and deep sea port in Nunavut will increase the need for employees.[4]

Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics, by Industry

Seasonally Unadjusted Data	May 2018	April 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	55.1	54.3	55.3	0.8	1.5	-0.2	-0.4
Goods-producing sector	7.1	6.8	7.1	0.3	4.4	0.0	0.0
Agriculture	0.0	0.0	0.0	0.0	-	0.0	-
Forestry, fishing, mining, quarrying, oil and gas	2.6	2.5	2.2	0.1	4.0	0.4	18.2
Utilities	0.9	0.9	0.6	0.0	0.0	0.3	50.0
Construction	3.2	3.1	3.9	0.1	3.2	-0.7	-17.9
Manufacturing	0.2	0.2	0.2	0.0	0.0	0.0	0.0
Services-producing sector	47.9	47.5	48.0	0.4	0.8	-0.1	-0.2
Trade	6.6	6.1	6.4	0.5	8.2	0.2	3.1
Transportation and warehousing	2.8	2.7	3.5	0.1	3.7	-0.7	-20.0
Finance, insurance, real estate and leasing	2.1	2.0	2.4	0.1	5.0	-0.3	-12.5
Professional, scientific and technical services	2.1	1.9	2.4	0.2	10.5	-0.3	-12.5
Business, building and other support services	1.1	1.3	1.1	-0.2	-15.4	0.0	0.0
Educational services	5.2	5.2	5.8	0.0	0.0	-0.6	-10.3
Health care and social assistance	8.3	7.8	6.9	0.5	6.4	1.4	20.3
Information, culture and recreation	3.2	3.3	2.2	-0.1	-3.0	1.0	45.5
Accommodation and food services	2.9	3.3	3.6	-0.4	-12.1	-0.7	-19.4
Other services	1.4	1.7	1.8	-0.3	-17.6	-0.4	-22.2
Public administration	12.3	12.6	12.0	-0.3	-2.4	0.3	2.5

**Combined data - three month moving average*
Note: Totals may not add due to rounding
Source: Statistics Canada Labour Force Survey

REGIONAL ANALYSIS

Yukon

The number of people employed in Yukon grew by about 300 in May, reaching 21,100. Monthly gains can be attributed entirely to increased employment in the goods-producing sector (+14.8%). On a yearly basis, employment in Yukon is up 0.5% (+100). Employment losses in the services-producing sector (-300) were offset by gains in the goods-producing sector (+400).

Positive employment growth in Yukon's goods-producing sector is likely to continue moving forward as public infrastructure projects are slated to begin across the territory. For instance, the Government of Canada recently pledged $6.9 million in funding to enable smarter connections in Yukon's trade corridors through the modernization of its Intelligent Transportation Systems technologies. The new project will focus on improving several components of the current transportation system including commercial vehicle operations support, road weather information systems and traffic monitoring systems. It is anticipated that 70 jobs will be created during the implementation.[5]

Looking ahead, the Conference Board forecasted a positive economic and employment outlook for the Yukon based on new developments in the mining industry, a low unemployment rate, wage increases and the needs of aging population creating job opportunities. The territory's GDP is anticipated to increase considerably by 8.1% this year and 2.7% in 2019.[6]

Northwest Territories

The number of people employed in Northwest Territories reached 20,900 in May, an increase of close to 200 compared to the previous month. Job growth is due entirely to gains in the services-producing sector (+1.7%). On a yearly basis, employment in the territory fell 0.9% (-200). Job losses over the past year are due entirely to falling employment in the goods-producing sector, with the construction industry (-800) seeing the largest declines.

The Conference Board of Canada is projecting a grim economic and employment outlook for the Northwest Territories over the next few years. The less encouraging forecast is due mainly to declines in diamond productions in the Gahcho Kué and Divaik mines, which even several new mining exploration projects and growths in the health care and social assistance sectors will not be able to offset. The territory's GDP is forecasted to decline 2.9% in 2018 and will stay flat next year.[7] Until Canadian Zinc's Prairie Creek mine opens in late 2020, all sectors in the territory are expected to see minimal growth in the short-term.

Nunavut

On a monthly basis, Nunavut employment rose 2.3% in May, due entirely to gains in the services-producing sector. In fact, employment in the mining sector increased 25% (+100) in May compared to the previous month. Meanwhile, employment in the territory is essentially flat on a year-over-year basis (-100). Employment gains in the goods-producing sector were offset by losses in the services-producing sector.

Nunavut's economic performance should be positive over the next few years as construction works continue at the Meliadine, Amaruq, and Back River mines. Moreover, public and private construction projects such as the $35 million First Air's cargo warehouse in Iqaluit and airport improvement projects in five Nunavut communities[8], as well as the Qikiqtaaluk Corporation's $50 million hotel, restaurant and conference facility in Iqaluit[9] will help boost growth in the territory's construction sector. In fact, about 1,000 jobs will be created between 2018 and 2021 in Nunavut according to the Conference Board.[10] The territory's GDP is forecasted to advance 4.4% this year and 9.1% in 2019.[11]

Northwest Territories, Nunavut and Yukon* Monthly Labour Force Statistics by Economic Region

Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2018 ('000)	May 2017 ('000)	Yearly Variation (%)	May 2018 (%)	May 2017 (%)	Yearly Variation (% points)
Territories*	55.0	55.2	-0.4	7.4	8.0	-0.6
Northwest Territories	20.9	21.1	-0.9	8.4	6.3	2.1
Nunavut	13.1	13.2	-0.8	12.8	15.6	-2.8
Yukon	21.1	21.0	0.5	2.8	4.6	-1.8

**Combined data - three month moving average*

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey

***Note:** In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.*

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***For information on the Labour Force Survey**, please visit the Statistics Canada Web site at: www.statcan.gc.ca*

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[1] **Conference Board of Canada, Territorial Outlook Economic Forecast, Spring 2018.**
http://www.conferenceboard.ca/e-library/abstract.aspx?did=9566

[2] **My Yellowknife Now, Transportation Canada Invests $2 million into Fort Smith Airport, April 16, 2018.**
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[3] **Government of Yukon, New maintenance facility to be built at Dawson City airport, April 11, 2018.**
https://yukon.ca/en/news/new-maintenance-facility-be-built-dawson-city-airport

[4] **Nunatsiaq News, Tower Artic wins $89M contract for Iqaluit, Pond Inlet marine projects, May 25, 2018.**
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[5] **Government of Yukon, Government of Canada invests in the modernization of intelligent transportation system in Yukon, May 17, 2018.**
https://yukon.ca/en/news/government-canada-invests-modernization-intelligent-transportation-systems-yukon

[6] **Conference Board of Canada, Territorial Outlook Economic Forecast, Spring 2018.**
http://www.conferenceboard.ca/e-library/abstract.aspx?did=9566

[7] **Ibid**

[8] **Nunatsiaq News, First Air, Nunavut community airports get Ottawa money for upgrades, May 17, 2018.**
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[10] **Conference Board of Canada, Territorial Outlook Economic Forecast, Spring 2018.**
http://www.conferenceboard.ca/e-library/abstract.aspx?did=9566

[11] **Ibid**